

APPROVED
MEETING MINUTES
NORTHWEST PROGRESSO – FLAGLER HEIGHTS
REDEVELOPMENT ADVISORY BOARD
FORT LAUDERDALE
8TH FLOOR CONFERENCE ROOM, CITY HALL
FEBRUARY 14, 2017 – 3:30 P.M.

Cumulative Attendance

May 2016 - April 2017

<u>Members Present</u>	<u>Attendance</u>	<u>Present</u>	<u>Absent</u>
Ron Centamore, Chair	P	9	0
Sonya Burrows, Vice Chair	P	9	0
Jessie Adderley	P	6	3
Leann Barber	P	8	1
Alan Gabriel	P	7	2
John Hart	P	4	1
Mickey Hinton (arr. 4:13)	P	7	2
John Hooper	P	6	3
Dylan Lagi (arr. 5:16)	P	9	0
Steffen Lue	P	6	3
Scott Strawbridge	P	8	1
John Wilkes	P	8	1

Currently there are 12 appointed members to the Board, which means 7 would constitute a quorum.

Staff

Jonathan Brown, Northwest CRA Manager
Vanessa Martin, CRA Business Manager
Sandra Doughlin, CRA
Bob Wojcik, Planner III
Glendon Hall, Housing and Economic Development Manager
Jamie Opperee, Recording Secretary, Prototype, Inc.

Communications to City Commission

None.

I. Call to Order / Roll Call

Chair Centamore called the meeting to order at 3:37 p.m. Roll was called and it was noted a quorum was present.

II. Approval of Minutes from December 13, 2016 & January 9, 2017 Meetings

Motion made by Mr. Strawbridge, seconded by Mr. Gabriel, to approve the December 13 minutes. In a voice vote, the **motion** passed unanimously.

Motion made by Mr. Strawbridge, seconded by Mr. Gabriel, for approval of [the January 9, 2017 minutes].

Mr. Wilkes noted a correction to p.3, paragraph 2: there were 55 lots rather than 58 listed in the backup materials for the meeting. He also noted a correction to p.7, paragraph 6: 84% of homes in the CRA are non-owner-occupied.

In a voice vote, the **motion** passed unanimously [as amended].

III. Transfer of Three City-Owned Commercial Parcels to CRA & Developer Interest

Mr. Wojcik explained that Staff is requesting a recommendation from the Board regarding the transfer of three City-owned properties to the CRA, which will facilitate development of the sites. Two parties, who also own the adjacent properties to these parcels, are asking that the parcels be made available to them for projects.

One of the proposed projects is for an estimated \$14.2 million 100-room hotel on NW 7th Avenue. The developer has purchased 18,850 sq. ft. and is seeking parcels behind the site for parking. Without the additional parcels for parking, the project cannot be realized. This developer, Impact Investments, is offering to purchase the property at its appraised value of \$190,000.

The second proposed project is for a 6,777 sq. ft. retail center to be located on Sistrunk Boulevard. The developer owns the adjacent property, which is 14,144 sq. ft. in size, and is willing to purchase the 4680 sq. ft. City-owned lot for \$4354, which would cover the City's costs and expenses. The developer, Gil Hyatt, has owned the adjacent property for several years and plans to develop it himself. Mr. Wojcik noted that the parcel has no vehicular access and can only be of value to the adjacent property owner.

Joseph Poveromo and Brandon Hertz, representing Impact Investments, showed a PowerPoint presentation on the proposed hotel project, which will be close to a future All Aboard Florida station. Mr. Poveromo advised that other nearby projects planned for the area include a Hilton hotel, a large multi-family development with ground floor retail, and additional development off Sistrunk Boulevard and Andrews Avenue.

The proposal is for a three-star hotel with surface parking, which is expected to offer a slightly lower price point than other competing hotels planned for the area. The developer cannot meet parking demand without the City-owned lot it hopes to purchase, even with a parking reduction. They have reached out to other property owners on the

same block to purchase lots, but have been unable to do so thus far. Until the project has a sufficiently large footprint, the developer cannot get a partnership agreement with a major hotel chain.

Ralph Tate, architect for Impact Investments, showed the project's site plan, pointing out that the project's main entry would be on NW 3rd Street. The project will be five stories in height and will include ground floor space that could be used for retail or flex uses.

Mr. Brown asked if the project is contingent upon purchasing additional parcels from a church. Mr. Poveromo replied that the project is still possible if the City lots are purchased, but a single contiguous lot, which would be possible if the church agrees to sell, is preferred. Mr. Strawbridge suggested that the developer offer to share parking facilities with the church or develop on-street parking for the project.

Chair Centamore emphasized that the Board needs to know whether or not the City would approve a hotel project with only two lots for parking. Mr. Poveromo responded that one developer who saw the site plan felt 60 parking spaces were sufficient for 100 rooms. Mr. Wojcik added that Staff's recommendation is for the Board to ask the City to allow the developer to submit an application to the Development Review Committee (DRC) so they can have the plans reviewed with the proposed parking lots. The City typically requires a signed agreement before they will accept a DRC application from any party that is not a property owner.

Mr. Wojcik continued that regarding the second site, Staff is asking that the City sell the parcel to the CRA for \$4354 and allow the developer to join with the City in submitting an application for DRC review. They also request that the CRA Board allow Staff to issue a 30-day notice for RFPs for both properties.

Mr. Wilkes requested clarification that the developer would purchase the lot from the CRA at the same price for which the CRA would purchase the lot from the City. Mr. Brown confirmed this, but noted that once the CRA takes ownership of the parcel, they must solicit development projects through the RFP process. Mr. Wojcik clarified that the CRA does not have to ask for competitive bids, but must issue an RFP and assess the value of proposals.

Mr. Wilkes pointed out that the price offered to the CRA is roughly \$160,000 less than fair market value. He did not feel a 100-unit hotel would be approved by the City if it offered only 60 parking spaces.

Mr. Strawbridge advised that the draft agreement before the Board states that the CRA would purchase the property at its appraised value and sell it to the developer; if the development does not come to fruition, the agreement then states that the CRA would

purchase the parcel back. He asked if the developer anticipated a financing gap that would require them to request additional subsidies for the project from the CRA.

Mr. Brown observed that the request before the Board is only about land acquisition. Staff has asked any interested parties to clarify whether they are interested in a land incentive or a different type of incentive at a later time. The developer in this case is offering to pay the appraised value for the land so they may come back before the Board at a later date with an incentive request.

Mr. Hinton arrived at 4:13 p.m.

Vice Chair Burrows characterized the request to purchase the property at its appraised value as an attempt to bypass market forces. She felt the developer should offer to purchase the property directly from the City instead of from the CRA.

Mr. Wilkes pointed out that the request is for the CRA to sell an interested party a parcel consisting of roughly 18,000 sq. ft. at a cost of \$160,000 less than potential market value. He asserted that this includes an incentive in itself. Mr. Brown did not feel that this constituted an incentive, as the property has been appraised at the cost the developer is offering to pay. He pointed out that if the lots are not sold at the offered prices, they are unlikely to be developed.

Chair Centamore recalled that the City Commission, acting in its capacity as the CRA Board, had discussed the purchase of commercial lots by the CRA, clarifying that the CRA may buy commercial lots at their appraised value and sell them at the same price to qualified buyers. Those buyers may then come back and request incentives. He did not feel the ability to purchase a lot at its appraised value should be considered an incentive. Mr. Brown confirmed this, adding that other entities than a single developer may bid during the RFP process for a given parcel. Once a developer owns the parcel, the CRA may partner with them, but will have no role in ownership.

Ms. Barber asked if Impact Investments was a local developer. Mr. Hertz and Mr. Poveromo confirmed that the firm is locally based and is purchasing commercial land in Fort Lauderdale to develop projects. While they work for TE Management, Impact Investments will own the parcel.

Mr. Wojcik explained again that the Board is asked to authorize the company to proceed to the DRC phase and find out the City's requirements for development of the requested parcel, as well as to ask that the parcel be transferred from City to CRA ownership.

Motion made by Mr. Gabriel, seconded by Mr. Wilkes, to move this project under the three proposed motions as outlined.

Mr. Gabriel further clarified that his **motion** included the following:

- To give the developer the written authorization to proceed toward DRC approval;
- To have the CRA acquire property from the City and sell them to the developer at the same price of acquisition;
- To allow Staff to issue an RFP for the property.

Mr. Strawbridge added that the Board should also recommend that its closing on the acquisition of the parcel from the City be contingent on the developer's ability to move the project forward. Mr. Brown confirmed that this would be the case. Vice Chair Burrows agreed, noting that a better bid could come in response to the RFP.

Mr. Gabriel **restated** his **motion** as follows: **motion** to ask the City to transfer the property under the dollar amounts concept that was provided; to authorize [the developer] to go forward and make [a] DRC application, that [the Board is] going to sign off whatever they need to do; and to allow CRA Staff to issue an RFP for the property.

In a roll call vote, the **motion** passed 11-0.

Mr. Gabriel requested that this item be brought back before the Board with comments from the DRC after the project has gone through that phase of the approval process.

Mr. Wojcik moved on to the second proposed project, explaining that the subject parcel is behind a convenience store with a rooming house on 15th Avenue. The empty parcel is currently a blight on the area. Adjacent property owner Gil Hyatt is willing to clean up the lot and make it part of his proposed project, which would be a retail center.

Vice Chair Burrows pointed out that the parcel is appraised at \$60,000 but the proposal is to purchase it for \$4354. Mr. Brown showed the location of the parcel, stating that it is an interior site only valuable to the owner of adjacent land. Mr. Wojcik noted that the subject parcel is one of the commercial properties owned by the City, for which the Board's previous recommendation was that the City transfer these lots to the CRA for \$10. The City's expenses for the parcel are \$4354.

Vice Chair Burrows asked if the developer is able to proceed with the retail center without the subject parcel. Gil Hyatt, developer, stated that he could not. Vice Chair Burrows pointed out that this raises the value of the property.

Mr. Brown characterized the issue as determining whether the CRA is happy with the current state of Sistrunk Boulevard or would prefer to develop it. He asserted that if the CRA is unwilling to invest in development, this is a problem. Ms. Barber responded that this is not the choice before the Board: they should seek to determine the highest and best use of the property, and should not sell the property without market analysis.

Mr. Hyatt explained that he currently owns three lots from NW 15th Terrace to NW 6th Street. The subject parcel is 35 ft. by 105 ft. and is unbuildable on its own. He confirmed that he would request additional incentives for his project after the purchase of the lot.

Motion made by Mr. Wilkes, seconded by Mr. Strawbridge, that the Board approve the request that this particular lot be acquired from the City and the price [at which they] acquired it from the City be given to [Mr. Hyatt] as part of his project.

Ms. Barber asked if Mr. Hyatt is a local businessperson. Mr. Hyatt confirmed this, adding that he is a general contractor, not a developer. His intent is to lease the lots.

In a roll call vote, the **motion** passed 11-0.

Motion made by Mr. Gabriel, seconded by Mr. Wilkes, to process the RFP. In a roll call vote, the **motion** passed unanimously.

IV. CRA Project Funding Update

CRA Business Manager Vanessa Martin advised that a financial update for the CRA is included in the members' backup materials. She reported that there are few changes to the document: a purchase order has been opened for Triangle Services, and W-9s are pending for the Quantum project. A purchase order is pending for the Flagler Village Triangle.

Regarding residential incentives, a project recently approved by the Board for the Residential Rehabilitation Program was added for \$90,000. Approval of this item will go before the City Commission on March 7, 2017.

Mr. Strawbridge commented that the Board has drawn down \$2.5 million of the available \$12.5 million, with other items pending. He asked if it is possible to forecast how the rest of these dollars will be spent. Mr. Brown replied that in addition to the acquisitions discussed under Item III, there are also residential infill acquisitions, a funding request pending from the YMCA, and other anticipated project requests.

The Board discussed other potential projects that may be forthcoming, including the Bolden Building, which cannot be part of any CRA programs, as there is a demolition order on the structure. If the building meets the requirements of its 40-year inspection, it is possible that its owners may be able to stave off the demolition order and bring forward a project.

Mr. Brown continued that the YMCA is currently in discussions with the City to establish a lease for the Mizell Center. Once a lease for the property is in place, the Mizell Center will be demolished and a new YMCA constructed on the site.

Mr. Wilkes recalled that the CRA Board rejected the Redevelopment Advisory Board's proposal to purchase parcels from the City at a cost of \$10. The final amount was determined to be approximately \$600,000. He asked where these funds would come from in the CRA budget. Mr. Brown explained that this will require a budget amendment to move dollars from the property tax reimbursement line item, as no reimbursements are expected to be funded this year. He was confident that the Board will be able to meet its commitment to fund projects.

Ms. Martin concluded that the CRA has approximately \$10 million remaining after all funding recommendations are approved.

V. Communication to CRA Board

None.

VI. Old / New Business

- **CRA Staff Updates**

Housing and Economic Development Manager Glendon Hall advised that the Mosaic Group's contract, which was discussed at previous meetings, has been reduced from \$247,500 to roughly \$174,000. The Residential Rehabilitation Program project approved by the Board has been deferred by the CRA Board pending final contracts.

Mr. Brown added that the Mosaic Group's contract amendment agreements will be presented to the City Commission for approval at their next meeting. The reduction is due in part to only minor activity by Mosaic between the months of October 2016 and February 2017. The CRA also wants to establish a total number of hours and allocate Mosaic's time to specific tasks based on these hours.

Mr. Hall continued that CRA Staff has implemented many of the requests made by the Board regarding the CRA website. Additions to the site include the Five-Year Plan and other development plans and studies, Board meeting minutes, annual reports, demographic information, and maps. These documents may be found under the Resources tab. Other projects, however, such as Sistrunk Boulevard road improvements, may not be found on the website. Mosaic will take over administering the website, although Staff will continue to add materials related to projects and reports.

Mr. Brown reported that a CRA Open House was held on January 24, 2017. Feedback from this meeting showed that the CRA Office is not an appropriate location for an open house meeting, as it was well-attended. Open House meetings are expected to be moved on a monthly basis. The next meeting is scheduled for February 27, 2017 at the Avenue Executive Office from 5:30 to 7 p.m.

He continued that the January Open House also included lengthy discussions of infill housing in the CRA. Staff proposes additional discussions regarding what the community would like to see at these sites, as well as the process for disposal of infill housing. Mr. Brown emphasized that this process will be discussed in depth at the March 2017 meeting as well. Approximately 10 lots are located west of I-95, where the CRA proposes beginning infill housing.

The CRA also hopes to release an RFP for a site in Sweeting Estates within the next 30 days. It is anticipated that eight to ten single-family homes could be located on this site. Representatives of Sweeting Estates are expected to attend the February 27 Open House so CRA Staff may confirm the community's desires with respect to development. The next phase of the process will focus on rehabilitation and infill of properties east of I-95.

Ms. Barber recalled that at a previous meeting, the Board had discussed holding a financing summit to encourage local property owners to purchase property. She pointed out that there is no plan in the status report for a financing option. Mr. Brown replied that while some developers may show interest in infill housing, the lots are for sale by unit. Part of the RFP's restrictive covenant will require builders to build and sell to eligible buyers within a certain time frame. If these terms are not met, a clawback clause would return the properties to the City.

Mr. Brown advised that he did not anticipate a single-family home buyer would experience financing issues. He pointed out that developers will need to work with their lenders as well, concluding that the goal in this case is not to focus on local developers only. Ms. Barber asserted that a financing summit would allow more money to stay in the community and make more opportunities available to local residents.

Vice Chair Burrows recalled that the Urban Land Institute (ULI) Technical Advisory Panel (TAP) report recommends a financing summit, which would give small businesses the opportunity for greater access to capital. Mr. Brown advised that this may happen in the future, although it is unlikely before the first phase of infill housing is underway. He also noted that alternative financing typically carries higher interest rates.

In addition to discussion of infill housing, the Open House also featured a discussion of surface parking lots in the CRA, as well as the Wingate Superfund site, which is outside the CRA. There was also discussion of local participation by appraisers, title companies, contractors, and developers. Mr. Brown explained that while local participation is not prohibited, lack of it is not allowed to slow progress. He pointed out that these are existing properties that have always been available for local developers.

Mr. Strawbridge observed that in many communities, local participation is a requirement for CRA investments of more than \$200,000. He did not feel it would be inappropriate to require local participation on these investments. Mr. Brown advised that Staff hopes to

proceed with the best product possible; when proposals come before the Board for review, the Board may make requests such as local participation. He cautioned against adding another layer of requirement to the process, however, as this would slow progress and could contribute to the perception that little is happening in the CRA.

Mr. Lagi arrived at 5:16 p.m.

Mr. Brown continued that the ULI TAP report includes 11 specific recommendations, which were highlighted in a handout distributed to the Board members. He requested that they review the document before the March meeting.

Mr. Wilkes asked where the Board stands with regard to changing their focus and developing new programs. Mr. Brown replied that Staff's continuing communication with the community shows that most of the existing programs are geared toward building owners rather than tenant businesses. A discussion of new programs should include how the CRA may incentivize a business that does not own its own building.

With regard to residential programs, Mr. Wilkes recalled that there was discussion of taking an inventory of the CRA to determine where slum and blight continues to exist. A residential program could offer subsidies to residents to improve their properties. It could also bring in lenders who could make CRA dollars go further. Mr. Brown stated that developers and/or partner agencies could be required to present a list of nonprofit partners or banks with home buyers' clubs to ensure that projects will be buyer-ready.

Mr. Brown continued that the Open House also discussed various sites in the CRA, housing rehabilitation, and projects requiring community benefits. Staff will report back to the CRA about Open House meetings on a monthly basis.

Mr. Strawbridge commented that roughly \$200,000 is allocated in the current year's budget for Police details and Ambassador Programs in the CRA. Mr. Brown advised that CRA Staff plans to meet with the Police Department to further discuss this arrangement. The CRA is awaiting final approval of the project from the City Manager's Office.

Regarding the Ambassador Program, Mr. Brown has met with the Downtown Development Authority (DDA) and has reached out to the administrator of a similar program in West Palm Beach. The program planned for the CRA will provide security ambassadors, and the RFP must be crafted in a manner consistent with the CRA Plan. He hopes to have the RFP in procurement within the next 30 days. Because the program has been allocated dollars in the current fiscal year, it needs to begin in 2017.

VII. Public Comment

None.

VIII. Adjournment

Mr. Brown advised that due to the number of items on next month's Agenda, the March 2017 meeting may be scheduled to begin at 3 p.m.

There being no further business to come before the Board at this time, the meeting was adjourned at 5:31 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by K. McGuire, Prototype, Inc.]